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Sable Offshore Corp.*

**UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA  
WESTERN DIVISION**

CENTER FOR BIOLOGICAL  
DIVERSITY, et al.,

*Plaintiffs,*

v.

DEBRA HAALAND, et al.,

*Defendants,*

and

SABLE OFFSHORE CORP.,

*Intervenor-Defendant.*

CASE NO. 2:24-cv-05459-MWC-MAA

**DECLARATION OF STEVEN P.  
RUSCH IN SUPPORT OF SABLE  
OFFSHORE CORP.'S RESPONSE  
TO FEDERAL DEFENDANTS'  
MOTION FOR VOLUNTARY  
REMAND**

Hearing

Date: January 31, 2025

Time: 1:30 p.m.

Judge: Hon. Michelle Williams Court  
Courtroom: 6A

**DECLARATION OF STEVEN P. RUSCH**

Pursuant to 28 U.S.C. § 1746(2), I, Steven P. Rusch, hereby declare:

1. I am employed by Intervenor-Defendant Sable Offshore Corp. (“Sable” or the “Company”), as Vice President, Regulatory & Environmental Affairs. I have over 44 years of experience in the oil and gas industry. Before my current position with Sable, I was the Vice President, Environment, Health and Safety (“EHS”) and Government Affairs at Freeport-McMoRan Oil & Gas, a Senior Staff Engineer at ExxonMobil Corporation and the Principal at Rusch Consulting. I have a Bachelor’s Degree in Civil Engineering from the University of California at Berkeley and have been licensed by the State of California as a Professional Engineer.

2. Sable is a publicly traded oil and gas company focused on responsibly developing the Santa Ynez Unit (“SYU”) in federal waters offshore California.

3. I have been involved in Sable’s acquisition, maintenance, and development of the SYU, which is the subject of this action. These assets were previously owned by Exxon Mobil Corporation (“Exxon”) and Mobil Pacific Pipeline Company (“MPPC,” and together with Exxon, “EM”).

**A. Extensive Environmental Reviews Were Performed Prior to Development of the Santa Ynez Unit**

4. The 16 leases for the SYU that are the subject of the Bureau of Safety and Environmental Enforcement’s (“BSEE”) 2023 Extension decision challenged in this action are for an initial term of five years and as “long thereafter as oil or gas” is or may be “produced from the leased area in paying quantities, or drilling or well reworking operations, as approved by” the Department of the Interior. *E.g.*, Lease OCS-P00180 (Feb. 6, 1968). As an example of one of Sable’s SYU leases, a true and correct copy of Lease OCS-P00180 dated February

1 6, 1968 is attached hereto as **Exhibit A**.

2 5. The 16 leases contained within the SYU are subject to an active  
3 unitization agreement (“Unit Agreement”) approved by the federal government in  
4 1970. A true and correct copy of the Unit Agreement and the amendments thereto  
5 are attached hereto as **Exhibit B**. The Unit Agreement modifies and amends the  
6 lease terms, including to extend the term of the leases as provided for the life of the  
7 Unit Agreement. *Id.* § 12. Specifically, the Santa Ynez Unit Agreement (and its  
8 associated leases) continue in force and effect “so long as Unitized Substances are  
9 or can be produced and, *should production cease, so long thereafter as diligent*  
10 *operations are in progress for the restoration of production* or discovery of new  
11 production . . . .” *Id.* § 13 (emphasis added).

12 6. In May 1974, the United States Geological Survey published a  
13 final environmental impact statement analyzing a proposed plan of development  
14 for the SYU for the Hondo field. *See* 39 Fed. Reg. 16,910 (May 10, 1974). In  
15 August 1974, the Acting Secretary of the Interior approved the proposed plan of  
16 development for the SYU for the Hondo field. In 1975, the United States  
17 Geological Survey prepared another environmental impact statement  
18 comprehensively analyzing development and production of oil and gas in the Santa  
19 Barbara Channel Outer Continental Shelf, including development and production  
20 in the SYU. *See* 40 Fed. Reg. 25,241 (June 13, 1975); 41 Fed. Reg. 10,116 (Mar.  
21 9, 1976).

22 7. In June 1984, the United States Minerals Management Service  
23 (the predecessor agency to BSEE), the California State Lands Commission, and  
24 Santa Barbara County released a final environmental impact report/final  
25 environmental impact statement further studying oil and gas development and  
26 production at the SYU (“1984 EIS”). *See* 49 Fed. Reg. 30,144 (July 26, 1984).  
27 The 1984 EIS analyzed alternatives to the proposed project, cumulative  
28

1 development and impacts, impacts of the project across environmental resources  
2 including air quality, climate, geology, surface and groundwater, terrestrial and  
3 marine biology, system safety and reliability, and also included detailed mitigation  
4 measures.

5 8. Activities on the SYU have since been the subject of various  
6 environmental reviews, as needed. For example, in 2021 the Bureau of Ocean  
7 Energy Management (“BOEM”) prepared an Environmental Assessment and  
8 Finding of No Significant Impact for Exxon’s proposed repairs at the SYU to  
9 install Impressed Current Cathodic Protection Anode Sleds.<sup>1</sup>

10 **B. The Shutdown Is Subject to a Preservation Plan Approved by**  
11 **BSEE**

12 9. Following the onshore 2015 Plains All American Pipeline  
13 (“Plains”) leak, Exxon sought and obtained yearly extensions of time from BSEE  
14 to resume operations. Each year, BSEE authorized extensions to resume  
15 operations on the 16 offshore oil and gas leases in the SYU to maintain the status  
16 quo, with the most recent authorization issued by BSEE on November 14, 2023  
17 (“2023 Extension”).

18 10. The Plains pipeline that experience the leak in 2015 was  
19 previously known as Pipeline 901 and is now known as Pipeline 324. It is located  
20 onshore and runs from the Las Flores Pump Station to the Gaviota Pump Station in  
21 Santa Barbara County. No SYU offshore facilities were involved in the Plains  
22 pipeline incident (other than to be shut-in as a result).

23 11. Following the onshore Plains pipeline leak in 2015, which  
24 interrupted service and necessitated the shutdown of the SYU facilities, the SYU  
25 facilities became subject to an environmentally protective preservation plan that  
26 was approved by BSEE. The preservation plan was specifically designed to ensure

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27 <sup>1</sup> [https://www.boem.gov/regions/pacific-ocs-region/Santa-Ynez-Unit-Anode-Sled-](https://www.boem.gov/regions/pacific-ocs-region/Santa-Ynez-Unit-Anode-Sled-Project)  
28 [Project](https://www.boem.gov/regions/pacific-ocs-region/Santa-Ynez-Unit-Anode-Sled-Project)

1 “the integrity management of facilities in a safe and environmentally responsible  
2 manner for the duration of the outage.” *See* January 21, 2016 letter from Exxon to  
3 BSEE setting forth certain SYU Preservation Plan requirements (the “Preservation  
4 Plan”). The Preservation Plan required that: (a) idle equipment be drained,  
5 flushed, and purged; (b) gas pipelines be depressurized and flushed with nitrogen;  
6 (c) all wells (with the exception of one active water injection well) be sealed with  
7 at least 3 barriers in-place from the hydrocarbon zones to surface; (d) the Hondo  
8 platform be staffed and inspected daily; (e) the Harmony and Heritage platforms be  
9 inspected weekly; (f) the offshore emulsion pipeline network be pigged and  
10 flushed with inhibited seawater; and (g) an offshore pipeline preservation plan be  
11 implemented, including pigging, application of biocide, and pressure testing, as  
12 appropriate. These actions have been taken and the SYU is in compliance with the  
13 Preservation Plan, which BSEE confirmed is being adhered to in its 2023 decision.

14           12. Pursuant to the Preservation Plan, the Hondo platform is  
15 staffed and inspected daily, and the Harmony and Heritage platforms were  
16 inspected weekly until they were re-staffed in April and subsequent daily  
17 inspections began. The Preservation Plan requires quarterly updates by Sable to  
18 BSEE. The lease extensions also required separate quarterly updates to BSEE  
19 while such extensions were in effect (until October 2024 when leaseholding  
20 activities were completed, as explained below). True and correct copies of the  
21 January 21, 2016 letter (without technical attachments) from Exxon to BSEE  
22 regarding SYU Preservation Plan requirements and BSEE’s February 12, 2016  
23 approval of the Preservation Plan are attached hereto as **Exhibit C**. The technical  
24 details of the Preservation Plan have been updated over time in coordination with  
25 and as approved by BSEE. BSEE’s November 2023 Categorical Exclusion  
26 Review states that BSEE will oversee adherence to “the ongoing preservation plan  
27 for safe and environmentally protective maintenance and oversight of the facilities  
28

1 while idled.”

2 13. Additionally, BSEE and the U.S. Coast Guard conduct routine  
3 inspections and drills related to maintaining the SYU facilities in safe and good  
4 working order.

5 14. The California Coastal Commission reviewed BSEE’s  
6 determination on the initial extension to resume operation and agreed that there  
7 would be “no effects” on coastal resources. A true and correct copy of the  
8 California Coastal Commission’s No Effects Determination dated November 15,  
9 2016 is attached hereto as **Exhibit D**.

10 **C. Vacatur Could Cause Significant Prejudice to Sable, Which Has**  
11 **Relied on the Extension of Time to Resume Operations on the**  
12 **Leases**

13 15. On February 14, 2024, the Company consummated the  
14 Purchase Agreement and Exxon assigned the 16 leases to Sable. On May 15,  
15 2024, Sable and EM completed the asset handover, which involved Sable hiring 48  
16 former EM field employees and an additional 24 employees. On May 21, 2024,  
17 the BOEM approved all 16 lease assignments and Sable has since been the  
18 leaseholder of the 16 leases. Sable relied on the 2023 Extension and the status of  
19 the leases when it consummated the purchase of the SYU assets and continued to  
20 work towards restarting operations. Since acquisition of the SYU assets, Sable has  
21 been diligently investing in and upgrading the facilities, as appropriate, to facilitate  
22 a restart of production. Contrary to Plaintiffs’ allegations in their Complaint, the  
23 offshore assets are well maintained and in good operational order.

24 16. To date, Sable has obligated close to \$1 billion associated with  
25 the purchase, repair, maintenance and upgrades of the SYU assets. Sable’s  
26 offshore investments in the SYU facilities include overhauling gas compressors,  
27 continuing offshore pipeline integrity surveys, completing hydrotests of offshore  
28

1 emulsion pipelines, completing safety device testing campaign, and finishing all  
2 vessel and piping circuit integrity inspections. Sable and its now subsidiary Pacific  
3 Pipeline Company recently onboarded and trained approximately 400 contractors  
4 and 100 employees to facilitate restart of the SYU assets. Sable has worked  
5 closely with BSEE and the U.S. Coast Guard to ensure its activities offshore are  
6 safe and responsible.

7 17. Since the close of the Purchase Agreement, in addition to the  
8 extensive investments Sable has made to the physical infrastructure, Sable's  
9 geoscience and reservoir engineering management team also has been evaluating  
10 reservoir development opportunities. Sable estimates that over 1 billion barrels of  
11 oil are still recoverable from the Santa Ynez Unit, which represents nearly \$10  
12 billion in net contingent resources overall.

13 18. Under the Purchase Agreement, if Sable does not successfully  
14 restart the offshore facilities prior to 2026, Exxon has the right to take over the  
15 SYU assets and rights at no cost.

16 **D. Sable Has Completed Additional Leaseholding Activities**

17 19. In addition to the protections contained in the Unit Agreement,  
18 as of October 9, 2024 and December 9, 2024, Sable also completed well reworking  
19 operations at Well HE-23 and Well HE-28, respectively.

20 20. On October 22, 2024, BSEE confirmed via email that based on  
21 the well rework at Well HE-23, "the SYU leases are no longer held by the  
22 approved lease extension, issued under 30 CFR 250.180(e) . . . [which] was  
23 effective through December 13, 2024." A true and correct copy of Nathan  
24 Sinkula's (BSEE) email to Lakeisha Douglas (BOEM) on October 22, 2024 is  
25 attached hereto in **Exhibit E**. On January 7, 2025, BSEE confirmed via email that  
26 based on the well rework at Well HE-28, "[i]n absence of additional leaseholding  
27 activities or approved lease extensions, the SYU leases will expire on December 9,

28



2025.” A true and correct copy of Nathan Sinkula’s (BSEE) email to Lakeisha Douglas (BOEM) on January 7, 2025 is attached hereto in **Exhibit E**.

**E. Additional Administrative Record Documents**

21. As explained in Federal Defendants’ Motion (Dkt. 37 at 8 n.2), Federal Defendants inadvertently left out of the administrative record filed with the Court the correct version of the Categorical Exclusion Review supporting the 2023 Extension. A true and correct copy of the correct Categorical Exclusion Review conducted by BSEE on November 9, 2023 is attached hereto as **Exhibit F**.

22. Federal Defendants also did not include the Preservation Plan (discussed above), which is explicitly referenced in the Categorical Exclusion Review, and should be included in the administrative record.

23. Sable has identified over 45 other documents that should have been included in the administrative record for BSEE’s 2023 Extension decision.

I declare under penalty of perjury that the foregoing is true and correct.  
Executed on January 10, 2025.



Steven P. Rusch